



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-831]

Fresh Garlic from the People's Republic of China: Preliminary Results of the Changed Circumstances Review of Lanling Qingshui Vegetable Foods Co., Ltd.

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: On October 23, 2014, the Department of Commerce (Department) initiated a changed circumstance review (CCR) of the antidumping duty (AD) order on fresh garlic from the People's Republic of China (PRC) in response to a request from Lanling Qingshui Vegetable Foods Co., Ltd. (Qingshui), a producer/exporter of fresh and peeled garlic from the People's Republic of China (PRC).¹ Pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216, the Department preliminarily determines that Qingshui is the successor-in-interest to Cangshan Qingshui Vegetable Foods Co., Ltd. (Cangshan Qingshui).

We invite interested parties to comment on these preliminary results.

DATES: *Effective* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Hilary E. Sadler, Esq., AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4340.

¹ See *Fresh Garlic from the People's Republic of China: Initiation of Changed Circumstances Review*, 79 FR 63381 (October 23, 2014) (CCR Initiation Notice).

SUPPLEMENTARY INFORMATION:

Background

On November 16, 1994, the Department published the AD order on fresh garlic from the PRC in the Federal Register.² On September 4, 2014, Qingshui requested that the Department conduct a CCR pursuant to section 751(b)(1) of the Act and 19 CFR 351.216(b) to determine that it is the successor-in-interest to Cangshan Qingshui for purposes of the *Order*.³ We received comments from no other parties.

Based on this information, the Department initiated this CCR on October 16, 2014, explaining that while there was sufficient evidence to initiate a changed circumstances review, the Department needed to request additional information for this review as provided by 19 CFR 351.221(b)(2).⁴ On October 29, 2014, the Department issued its initial CCR questionnaire to Qingshui, and Qingshui timely responded to the Department's questionnaire.⁵ The Department did not receive comments from other interested parties concerning Qingshui's questionnaire response.

Scope of the Order

The merchandise covered by this order is all grades of garlic, whether whole or separated into constituent cloves. The subject merchandise is currently classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 0703.20.0000, 0703.20.0010,

² See *Antidumping Duty Order: Fresh Garlic from the People's Republic of China*, 59 FR 59209 (November 16, 1994) (*Order*).

³ See Letter from Qingshui to the Secretary of Commerce, "Request for Request for Expedited Changed Circumstances Determination - Fresh Garlic from the People's Republic of China (Case No. A-570-831)," September 4, 2014 (Qingshui CCR Request).

⁴ CCR Initiation Notice.

⁵ See Letter to Qingshui from Mark E. Hoadley, AD/CVD Operations, Program Manager, Office VII, Enforcement and Compliance, "Fresh Garlic from the People's Republic of China: Changed Circumstances Review – Lanling Qingshui/Cangshan Qingshui," October 29, 2014 (Qingshui CCR Questionnaire); see also Letter from Qingshui to the Secretary of Commerce, "Changed Circumstances Determination - Fresh Garlic from the People's Republic of China (Case No. A-570-831) -Response to Questionnaire," November 18, 2014 (Qingshui CCR Questionnaire Response).

0703.20.0020, 0703.20.0090, 0710.80.7060, 0710.80.9750, 0711.90.6000, 0711.90.6500, 2005.90.9500, 2005.90.9700, 0703.20.0005, 2005.99.9700 and 0703.20.0015. Although the HTSUS subheadings are provided for convenience and customs purposes, the written product description is dispositive.

A complete description of the scope of the order is contained in the Preliminary Decision Memorandum.⁶ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and ACCESS is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Methodology

In accordance with section 751(b)(1) of the Act, we are conducting this changed circumstances review based upon the information contained in Qingshui's submissions.⁷ In making a successor-in-interest determination, the Department typically examines several factors including, but not limited to, changes in: (1) Management; (2) production facilities; (3) supplier relationships; and (4) customer base.⁸ While no single factor or combination of factors will necessarily be dispositive, the Department generally will consider the new company to be the

⁶ See Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Decision Memorandum for the Preliminary Results of the Antidumping Duty Changed Circumstances Review of Fresh Garlic from the People's Republic of China: Lanling Qingshui Vegetable Foods Co., Ltd.," dated concurrently and hereby adopted in this notice.

⁷ See Qingshui CCR Request and Qingshui CCR Questionnaire Response.

⁸ See, e.g., *Certain Activated Carbon From the People's Republic of China: Notice of Initiation of Changed Circumstances Review*, 74 FR 19934, 19935 (April 30, 2009).

successor to the predecessor if the resulting operations of the successor are not materially dissimilar to that of its predecessor.⁹ Thus, if the record demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the predecessor company, the Department may assign the new company the cash deposit rate of its predecessor.¹⁰ For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum.

Preliminary Results of the Changed Circumstances Review

Based on the evidence reviewed, we preliminarily determine that Qingshui is the successor-in-interest to Cangshan Qingshui. Specifically, we find that any changes that may have occurred after “Cangshan Qingshui Vegetable Foods Co., Ltd” became “Lanling Qingshui Vegetable Foods Co., Ltd.” did not constitute material changes to management, production facilities, supplier relationships, customer relationships, or ownership/legal structure with respect to the production and sale of the subject merchandise. Thus, we preliminarily determine that Qingshui operates as the same business entity as Cangshan Qingshui with respect to the subject merchandise. A list of topics discussed in the Preliminary Decision Memorandum appears in the Appendix to this notice.

If the Department upholds these preliminary results in the final results, Qingshui will be assigned the cash deposit rate currently assigned to Cangshan Qingshui with respect to the subject merchandise (*i.e.*, the \$3.06 per kilogram cash deposit rate currently assigned to Cangshan Qingshui).¹¹ If these preliminary results are adopted in the final results of this

⁹ See, e.g., *Notice of Initiation of Antidumping Duty Changed Circumstances Review: Certain Forged Stainless Steel Flanges from India*, 71 FR 327, 327 (January 4, 2006).

¹⁰ See, e.g., *Fresh and Chilled Atlantic Salmon From Norway; Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 64 FR 9979, 9980 (March 1, 1999).

¹¹ See *Fresh Garlic From the People's Republic of China: Final Results of the Semiannual Antidumping Duty New Shipper Review of Jinxiang Merry Vegetable Co., Ltd. and Cangshan Qingshui Vegetable Foods Co., Ltd.; 2012–2013*, 79 FR 62103, (October 16, 2014).

changed circumstances review, we will instruct U.S. Customs and Border Protection to suspend liquidation of entries of fresh garlic made and exported by Qingshui, effective on the publication date of the final results, at the cash deposit rate assigned to Cangshan Qingshui.

Public Comment

Interested parties may submit written comments by no later than 30 days after the date of publication of these preliminary results of review in the *Federal Register*.¹² Rebuttals, limited to issues raised in the written comments, may be filed by no later than five days after the written comments are filed.¹³ Parties that submit written comments or rebuttals are encouraged to submit with each argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁴ All briefs are to be filed electronically using ACCESS.¹⁵ An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day on which it is due.¹⁶

Any interested party may request a hearing to the Assistant Secretary of Enforcement and Compliance using ACCESS within 30 days of publication of this notice in the *Federal Register*.¹⁷ Hearing requests should contain the following information: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed.¹⁸ Oral presentations will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230.¹⁹

Final Results of the Review

¹² See 19 CFR 351.309(c)(1)(ii).

¹³ See 19 CFR 351.309(d)(1).

¹⁴ See 19 CFR 351.309(c)(2) & (d)(2).

¹⁵ See 19 CFR 351.303(b) and (f).

¹⁶ See 19 CFR 351.303(b).

¹⁷ See 19 CFR 351.310(c).

¹⁸ See *id.*

¹⁹ See 19 CFR 351.310(d).

In accordance with 19 CFR 351.216(e), the Department intends to issue the final results of this changed circumstances review, not later than 270 days after the date on which the review is initiated.

Notification to Parties

The Department issues and publishes these results in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216 and 351.221.

Dated: March 17, 2015.

Paul Piquado,

Assistant Secretary

for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Preliminary Results of Changed Circumstances Review
- V. Recommendation

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